

2021R00538/MKN

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UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

MAY 28 2025

AT 8:30 \_\_\_\_\_ M  
CLERK, U.S. DISTRICT COURT - DNJ

|                          |   |                                  |
|--------------------------|---|----------------------------------|
| UNITED STATES OF AMERICA | : | Hon. Georgette Castner, U.S.D.J. |
|                          | : |                                  |
| v.                       | : | Crim. No. 25-352                 |
|                          | : |                                  |
| CHA SOO CHUNG            | : | 26 U.S.C. § 7206(1)              |

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

COUNTS ONE THROUGH SIX  
(Filing False Tax Returns)

1. At all times relevant to this Information:
  - a. Defendant CHA SOO CHUNG resided in Hamilton, New Jersey. CHUNG owned and operated a restaurant, Chas Seafood, in Trenton, New Jersey.
  - b. Chas Seafood operated as a C corporation from 2015 through 2018, and as an S corporation for 2019 and 2020.
  - c. The Internal Revenue Service ("IRS") was an agency of the United States Department of Treasury ("Treasury"), responsible for administering and enforcing the tax laws of the United States, collecting taxes that were due and owing to the Treasury by citizens and businesses, and paying any refunds that were owed to the taxpayers based on overpayment of taxes.
  - d. Domestic corporations generally were required to file annual income tax returns, regardless of whether they had any taxable income.

e. C Corporations were required to file annual U.S. Corporation Income Tax Returns, Form 1120 ("IRS Form 1120") to report the income, deductions, gains, and losses from its operations. C Corporations were taxed separately from their owners.

f. S Corporations were closely held companies that chose to be taxed under Subchapter S of Chapter 1 of the Internal Revenue Code. S Corporations were required to file annual U.S. Income Tax Returns for S Corporations Form 1120S ("IRS Form 1120S") to report their annual gross receipts or sales, expenses, and resulting income or loss. S Corporations could elect to "pass through" any profits or losses to its shareholders for federal tax purposes. If this election was made, each shareholder of the S Corporation was required to include their share of the S Corporation's income or loss on their individual income tax return, Form 1040, using a "Schedule K-1" and to pay any tax due as a result.

g. Forms 1120 and 1120S contain an acknowledgment that the signatory attested that "Under penalties of perjury, I declare that I have examined this this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete."

2. CHUNG, through Chas Seafood, earned hundreds of thousands of dollars in gross receipts or sales in tax years 2015, 2016, 2017, 2018, 2019, and 2020.

3. Notwithstanding the actual gross receipts or sales for the above tax years, CHUNG underreported his gross receipts by, among other things, failing to provide the accurate business gross receipt ledger to his tax preparer.

4. CHUNG authorized the filing of Forms 1120 for Chas Seafood for tax years 2015 through 2018, which contained materially false statements of significantly underreported gross receipts on Line 1a.

5. CHUNG authorized the filing of Forms 1120S for Chas Seafood for tax years 2019 and 2020, which contained materially false statements of significantly underreported gross receipts on Line 1a. CHUNG elected for the profits or losses of the S Corporation to “pass through” to his personal return for federal tax purposes. Despite this election, CHUNG also failed to include the accurate gross receipts of Chas Seafood on his individual income tax return, Form 1040.

6. On or about the dates set forth below, in the District of New Jersey, in Mercer County, and elsewhere, defendant

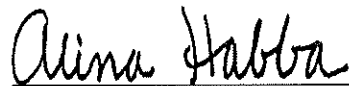
**CHA SOO CHUNG**

knowingly and willfully made and subscribed United States Corporate Income Tax Returns, on the forms stated below, which contained and was verified by a written declaration that it was made under the penalties of perjury, and which Defendant CHUNG did not believe to be true and correct as to every material matter in that the United States Corporate Tax Returns, on the forms stated below, and understated the amount of gross receipts or sales for the tax years as set forth below:

| <b>Count</b> | <b>Date Subscribed<br/>(on or about)</b> | <b>Tax<br/>Year</b> | <b>Form</b> | <b>False Statement on Respective<br/>Form, Reported on Line 1a</b> |
|--------------|--|---------------------|-------------|--|
| 1            | January 25, 2017                         | 2015                | 1120        | \$360,787.00   |
| 2            | January 15, 2019                         | 2016                | 1120        | \$390,235.00   |

|   |                   |      |       |                |
|---|-------------------|------|-------|----------------|
| 3 | January 15, 2019  | 2017 | 1120  | \$444,068.00   |
| 4 | February 27, 2019 | 2018 | 1120  | \$465,815.00   |
| 5 | February 13, 2020 | 2019 | 1120S | \$652,415.00   |
| 6 | April 15, 2021    | 2020 | 1120S | \$1,116,775.00 |

In violation of Title 26, United States Code, Section 7206(1).



ALINA HABBA  
United States Attorney

CASE NUMBER: \_\_\_\_\_

**United States District Court  
District of New Jersey**

**UNITED STATES OF AMERICA**

**v.**

**CHA SOO CHUNG**

**INFORMATION FOR**

**26 U.S.C. § 7206(1)**

**ALINA HABBA  
UNITED STATES ATTORNEY  
FOR THE DISTRICT OF NEW JERSEY**

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ASSISTANT U.S. ATTORNEY  
TRENTON, NEW JERSEY  
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